



United States
Department of
Agriculture

Food and
Nutrition
Service

Mountain
Plains
Region

1244 Speer Boulevard
Denver, CO 80204-3585

Reply to
Attn. of: CACFP-448

OCT 17 1995

Subject: Clarification: Eligibility of Proprietary Title XX Centers to Participate in the Child and Adult Care Food Program (CACFP)

To: STATE AGENCY DIRECTORS - Colorado DPHE, Iowa, Kansas, Missouri DH,
(Child Nutrition Programs) Montana DPHSS, Nebraska ED, North Dakota,
South Dakota, Utah and Wyoming

This memorandum will serve to restate the requirements contained in our CACFP-432 memorandum dated June 7, 1995 regarding the participation of Title XX proprietary centers in the CACFP. Specifically, questions have arisen on the use of child care funding pools.

The National Office has had several meetings on this issue with the Office of Community Services (OCS), which administers the Social Services Block Grant (i.e., Title XX), and the Child Care Bureau of the Department of Health and Human Services (DHHS), in order to gain a clearer understanding of their reporting requirements and the use of Title XX and other Federal funds available for child care.

Under Title XX reporting requirements, states must provide OCS with the number of children in child care who are funded in whole or in part with Title XX funds, as well as the amount of Federal, State and local funds expended for this service. In order for proprietary centers to meet the statutory requirements for participation in the CACFP, when a State uses a funding pool to provide child care services, the pool must contain Title XX funds.

If the State Agency administering Title XX decides to report all children receiving any support from the funding pool to OCS as Title XX recipients, then proprietary centers and the CACFP State Agency may use proof that the child is funded from the pool (i.e., vouchers, list of supported children, etc.) as documentation that the child is eligible for and receiving Title XX funds. If the State Agency administering Title XX decides to use Title XX funds to support only a portion of the children funded from the pool, then the centers and the CACFP State Agency must have some means (i.e., coding) of identifying the Title XX children. Regardless of how the pool is structured, the number of children counted as Title XX recipients for the CACFP must not exceed the number reported to OCS.

On a related note, some States have questioned whether reporting to OCS all children whose day care is funded in part with Title XX funds, as opposed to reporting fully funded equivalencies, will affect other child care reporting requirements. DHHS has advised our National Office that reporting children in a child care pool as Title XX recipients does not preclude the funding agency from reporting the same children as receiving support from other child care

funding sources. Since financial and data reporting for child care programs are located in different offices at DHHS, the Child Care Bureau will accept calls for additional information and provide referrals to the appropriate office. You or your State Agency administering Title XX may contact Linda Graziano at (202) 401-5140 or Ginny Gorman at (202) 401-7260 if there are any questions on these issues.

We hope this clarifies the requirements for proprietary centers in States that use funding pools. For additional information on Title XX reporting requirements, or how these requirements can be implemented in states with funding pools, you may contact Frank Burns of OCS at (202) 401-5536.

If any of the above clarifications change our understanding and agreements that your Title XX system is acceptable for CACFP eligibility, please contact our office immediately.



ANN C. DEGROAT
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